

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)
AUXIER ROAD GAS COMPANY) CASE NO. 10288-R

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On March 3, 1995, Auxier filed its GCA to be effective April 1, 1995 to July 1, 1995.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice proposed revised rates designed to pass on to its customers the expected decreased gas costs from its suppliers. Auxier's EGC for the quarter beginning April 1, 1995 is \$2.3500 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (1.40) cents per Mcf to return over-recovered gas cost from October, November and December 1994. The total AA of (33.09) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balancing adjustment ("BA") which was incorrectly calculated by dividing the remaining \$2,176 undercollection by 9 months sales instead of 12 months sales. The BA should be 3.75 cents per Mcf.

5. These adjustments produce a gas cost recovery rate of \$2.0566 per Mcf, 3.33 cents per Mcf less than the prior rate.


6. The revised rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1995.

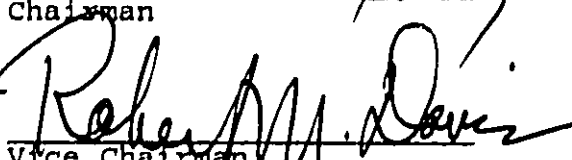
IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are hereby denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after April 1, 1995.
3. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 6th day of April, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-R DATED APRIL 6, 1995

The following rates and charges are prescribed for the customers in the area served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$2.0566	\$7.1666
All Over 1 Mcf Per Mcf	4.2599	2.0566	6.3165